

Senior and Long Term Care

EXHIBIT 21

DATE 2-7-07

HB 2

14. DPs to be considered

- a. See attachment for those dp's that have not been adopted or rejected by subcommittee
- b. See attachment for non-statutory personal services statewide present law adjustments
- c. DP 22127 - Alzheimer Grant Continuation - Remove this decision package from the Governor's Proposed Budget for HB2. (Technical adjustment - This decision package will be included in HB4.)
- d. DP 22200 - Adjustment to base budget funding: Montana Veterans' Home (RL-22-02-37) - In the base budget, revise the state special revenue funding to increase funding in Third Party Reimbursement in FY 2008 by \$1,695,729 and in FY 2009 by \$1,705,161 and decrease by the same amount the Cigarette Tax Revenue for Montana Veterans Home base funding by the same amount.
- e. DP20910 - EMVH - VA Reimbursement - (New) - Increase federal authority in FY 2008 by \$174,309 and in FY 2009 by \$197,910. It is anticipated that the federal VA reimbursement at the Eastern Montana Veteran's Home will increase from the 2006 level of approximately \$65 per day to approximately \$68 per day in 2008 and \$70 per day in 2009. Notification of the per diem rate change was received by the department on December 21, 2006.

15. DP 11017 - Increase state special revenue in FY 2008 by \$1,389,441 and in FY 2009 Language to fulfill motion for county nursing home IGT funding based on language included HB 2 last session or should it be altered?

- a. County Nursing Home Intergovernmental Transfer may be used only to make one-time payments to nursing homes based on the number of medicaid services provided. State special revenue for County Nursing Home Intergovernmental Transfer may be expended only after the office of budget and program planning has certified that the department has received at least \$1.6 million each year from counties participating in the intergovernmental transfer program for nursing homes.
 - i. This language leaves \$1.6 million in the base budget to match federal funds for nursing home payments (about \$0.6 million) and provide home based services (about \$1 million)
- b. Issue related to language is whether subcommittee leaves the IGT funding in the base budget for nursing homes and community services.

16. Rep. Morgan requested a goal from SLTC for movement of persons in nursing homes who are under age 65 to the community, which has not yet been received.

17. Does subcommittee wish to require DPHHS to implement rules waiving consideration of assets up to the amount of creditable long-term care coverage in determining Medicaid eligibility, contingent on passage and approval of HB 155?

18. Does subcommittee wish to establish nursing home rate funded in HB 2 with or without inclusion of patient contribution, or to include just a portion?

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Governor. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----						-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				1,004,982					1,069,936	
Vacancy Savings				(366,475)					(369,077)	
Inflation/Deflation				52,267					60,788	
Fixed Costs				(11,570)					753	
Total Statewide Present Law Adjustments				\$679,204					\$762,400	
DP 22201 - SLTC Field Office Rent Adjustment	0.00	10,909	0	4,005	14,914	0.00	19,527	0	4,863	24,390
DP 22204 - Adult Protective Services Database Maintenance	0.00	50,886	0	1,846	52,732	0.00	50,886	0	1,846	52,732
DP 22205 - Montana Veterans' Home Expense Adjustments	0.00	0	908,886	0	908,886	0.00	0	916,919	0	916,919
DP 22206 - Dept of Transportation Cars	0.00	11,674	0	11,674	23,348	0.00	11,903	0	11,904	23,807
DP 22207 - Annualize Nursing Home Provider Tax	0.00	0	2,500,000	5,401,391	7,901,391	0.00	0	2,500,000	5,288,162	7,788,162
DP 22208 - State Supplement Caseload Increase	0.00	24,960	0	0	24,960	0.00	49,920	0	0	49,920
DP 22209 - Annualize Waiver Expansion Costs	0.00	(419,748)	829,669	750,433	1,160,354	0.00	(406,035)	829,669	736,720	1,160,354
DP 22210 - Medicaid Nursing Home FMAP Adj	0.00	2,894,405	0	(2,894,405)	0	0.00	3,035,599	0	(3,035,599)	0
DP 22211 - Home Based Medicaid FMAP Adj	0.00	578,956	0	(578,956)	0	0.00	606,220	0	(606,220)	0
DP 22212 - Medicaid Waiver FMAP Adjustment	0.00	491,021	0	(491,021)	0	0.00	514,859	0	(514,859)	0
DP 22213 - Nursing Home Caseload Adjustment	0.00	(1,417,532)	0	(3,062,657)	(4,480,189)	0.00	(1,620,775)	0	(3,428,368)	(5,049,143)
DP 22214 - Medicaid Home Based Svs Caseload Adjustment	0.00	393,748	0	860,625	1,254,373	0.00	901,486	0	1,961,283	2,862,769
DP 22215 - FMAP Change for I-149 NH Provider Increase	0.00	0	111,741	(111,741)	0	0.00	0	117,192	(117,192)	0
DP 22216 - FMAP Change for I-149 Home Based Provider Increase	0.00	0	14,651	(14,651)	0	0.00	0	15,366	(15,366)	0
DP 22217 - FMAP Change for I 1-149 Waiver Provider Rate Inc	0.00	0	12,213	(12,213)	0	0.00	0	12,809	(12,809)	0
DP 22218 - Annualize Nursing Home Direct Care Wage	0.00	(380,933)	519,324	(138,391)	0	0.00	(374,182)	476,173	(101,991)	0
DP 22219 - FMAP Change - I-149 Home Based Direct Care Wages	0.00	0	34,149	(34,149)	0	0.00	0	35,815	(35,815)	0
DP 22220 - FMAP Change - I-149 Direct Care Wages Med Waiver	0.00	0	6,994	(6,994)	0	0.00	0	7,336	(7,336)	0
DP 22222 - Nursing Home IGT Adjustment	0.00	0	977,007	1,591,700	2,568,707	0.00	0	1,733,139	3,051,961	4,785,100
DP 22909 - Montana Veterans' Home Contingency Fund Line Item	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
Total Other Present Law Adjustments										
	0.00	\$2,238,346	\$6,164,634	\$1,276,496	\$9,679,476	0.00	\$2,787,408	\$6,894,418	\$3,183,184	\$12,865,010
Grand Total All Present Law Adjustments					\$10,358,680					\$13,627,410

LFD COMMENT

Requests for present law adjustments add \$19.7 million over the biennium, predominantly in state special revenue. General fund supports \$5.8 million, state special revenue supports \$12.9 million, and federal funds support \$6.8 million of the total present law adjustments requested. Each present law adjustment is discussed in greater detail by subprogram function: Medicaid services, veterans' homes, aging services, division administration, and adult protective services.

**IFD
COMMENT
CONT.**

Statewide present law adjustments are standard adjustments made to all agency budgets. These adjustments add a net \$1.4 million to the SLTC budget request over the 2009 biennium, with personal services adjustments contributing the largest increase at a net of \$1.3 million. Annual personal services present law adjustments add about 12.3 percent to base budget expenditures. Elements of the personal services biennial change are:

- o Fully funding positions compared to vacancies in FY 2006 - \$799,000
- o Moving positions (primarily nursing positions at MVH) to pay plan 20 and other reclassifications and upgrades - \$240,000
- o Requests to reinstate institution overtime, holidays worked, and shift differential pay, which is stripped from the base budget - \$192,000
- o Annualization of pay plan increases adds \$339,729, but part of the pay plan cost is duplicated in fully funding positions and reinstatement of overtime costs

These personal services increases are partially offset by the inclusion of 4.0 percent vacancy savings (about \$736,000 over the biennium). The division had a vacancy savings rate of 4.9 percent during the base year budget, primarily due to the recruitment and retention issues at MVH.

New Proposals

Fiscal 2008						Fiscal 2009				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 22101 - EMVH Resident Bus Replacement - OTO	22	0.00	0	40,000	0	40,000	0.00	0	0	0
DP 22103 - MVH Facility Upgrades- OTO	22	0.00	0	165,000	0	165,000	0.00	0	165,000	0
DP 22104 - MVH Recruitment and Retention Contingency	22	0.00	0	0	0	0	0	183,000	0	183,000
DP 22105 - MVH Special Care Unit Staff	22	5.20	0	137,862	0	137,862	5.20	0	138,421	0
DP 22106 - MVH Pharmacy Clerk	22	0.60	0	22,539	0	22,539	0.60	0	22,685	0
DP 22107 - EMVH Fire Alarm System - OTO	22	0.00	0	15,000	0	15,000	0.00	0	0	0
DP 22108 - Additional Aging Ombudsman Position	22	1.00	0	47,020	47,020	1.00	0	0	45,362	45,362
DP 22109 - Elderly Meal Programs	22	0.00	692,000	0	0	692,000	0.00	692,000	0	692,000
DP 22110 - Continue Aging In-Home Caregiver Program	22	0.00	600,000	0	0	600,000	0.00	0	0	0
DP 22112 - Additional SHIP FTE for Aging Services	22	1.00	0	47,020	47,020	1.00	0	0	45,362	45,362
DP 22119 - Waiver Expansion	22	0.00	838,161	0	1,810,894	2,649,055	0.00	850,347	0	1,798,708
DP 22127 - SLTC Alzheimer Grant Continuation	22	1.00	0	290,000	290,000	0.00	0	0	0	0
DP 22239 - Adult Protective Services Field Staff	22	1.50	0	74,698	0	74,698	1.50	0	73,084	0
DP 22501 - Provider Rate Increases	22	0.00	179,013	1,573,431	3,439,091	5,191,535	0.00	179,013	1,578,443	3,434,083
DP 22904 - Personal Needs Increase	22	0.00	0	128,071	0	128,071	0.00	0	128,438	0
Total	10.30	\$2,309,174	\$2,156,601	\$5,634,025	\$10,099,800	9.30	\$1,721,360	\$2,289,071	\$5,323,515	\$9,333,946

Requests for new proposals add \$19.4 million over the biennium. General fund supports \$4.0 million, state special revenue supports \$4.4 million, and federal funds support \$11.0 million of the total requested. Each new proposal is discussed in greater detail by subprogram function: Medicaid services, veterans' homes, aging services, division administration, and adult protective services.

690122 Senior & Long-Term Care

Non-Statutory Statewide Personal Services

Prepared by Lois Steinbeck, Legislative Fiscal Division

22-Jan-07

Program	Salary/Ben Adjustment			Vacancy Savings Adjustment			Total Personal Svcs Adjustment		
	FY 2008	FY 2009	Total	FY 2008	FY 2009	Total	FY 2008	FY 2009	Total
6901220102 Nursing Home Admin	20,710	21,006	41,716	(828)	(840)	(1,669)	19,882	20,166	40,048
6901220103 Community Services Bur. Ac	13,010	13,432	26,442	(521)	(539)	(1,060)	12,489	12,893	25,382
6901220237 Montana Vets' Home	(137,971)	(133,577)	(271,548)	5,513	5,343	10,857	(132,458)	(128,234)	(260,692)
6901220239 Eastern Montana Vets' Home	0	0	0	0	0	0	0	0	0
6901220302 Aging Services Admin.	60	(1)	59	(2)	0	(2)	58	(1)	57
6901220401 Division Admin.	56,915	57,572	114,487	(2,277)	(2,302)	(4,579)	54,638	55,270	109,908
6901220501 Adult Protective Svcs Admin.	(158,594)	(158,803)	(317,397)	6,345	6,350	12,695	(152,249)	(152,453)	(304,702)
Grand Total	(\$205,870)	(\$200,371)	(\$406,241)	\$8,230	\$8,012	\$16,242	(\$197,640)	(\$192,359)	(\$389,999)

Adjustment Funding by Program		Salary/Ben Adjustment			Vacancy Savings Adjustment			Total Personal Svcs Adjustment		
		FY 2008	FY 2009	Total	FY 2008	FY 2009	Total	FY 2008	FY 2009	Total
6901220102 Nursing Home Admin										
GF	50.00%	\$10,355	\$10,503	\$20,858	(\$414)	(\$420)	(\$834)	\$9,941	\$10,083	\$20,024
SSR	0.00%	0	0	0	0	0	0	0	0	0
Fed	50.00%	10,355	10,503	20,858	(414)	(420)	(834)	9,941	10,083	20,024
Other	0.00%	0	0	0	0	0	0	0	0	0
Total	100.00%	\$20,710	\$21,006	\$41,716	(\$828)	(\$840)	(\$1,668)	\$19,882	\$20,166	\$40,048
6901220103 Community Services Bur. Admin.										
GF	50.00%	\$6,505	\$6,716	\$13,221	(\$261)	(\$270)	(\$531)	\$6,244	\$6,446	\$12,690
SSR	0.00%	0	0	0	0	0	0	0	0	0
Fed	50.00%	6,505	6,716	13,221	(261)	(270)	(531)	6,244	6,446	12,690
Other	0.00%	0	0	0	0	0	0	0	0	0
Total	100.00%	\$13,010	\$13,432	\$26,442	(\$522)	(\$540)	(\$1,062)	\$12,488	\$12,892	\$25,380
6901220237 Montana Vets' Home										
GF	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SSR	68.00%	(93,820)	(90,832)	(184,653)	3,749	3,633	7,382	(90,071)	(87,199)	(177,270)
Fed	32.00%	(44,151)	(42,745)	(86,896)	1,764	1,710	3,474	(42,387)	(41,035)	(83,421)
Other	0.00%	0	0	0	0	0	0	0	0	0
Total	100.00%	(\$137,971)	(\$133,577)	(\$271,548)	\$5,513	\$5,343	\$10,857	(\$132,458)	(\$128,234)	(\$260,692)
6901220239 Eastern Montana Vets' Home										
GF	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SSR	100.00%	0	0	0	0	0	0	0	0	0
Fed	0.00%	0	0	0	0	0	0	0	0	0
Other	0.00%	0	0	0	0	0	0	0	0	0
Total	100.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6901220302 Aging Services Admin.										
GF	16.47%	\$10	(\$0)	\$10	(\$0)	\$0	(\$0)	\$10	(\$0)	\$9
SSR	0.00%	0	0	0	0	0	0	0	0	0
Fed	83.53%	50	(1)	49	(2)	0	(2)	48	(1)	47
Other	0.00%	0	0	0	0	0	0	0	0	0
Total	100.00%	\$60	(\$1)	\$59	(\$2)	\$0	(\$2)	\$58	(\$1)	\$56
6901220401 Division Admin.										
GF	44.00%	\$25,043	\$25,332	\$50,374	(\$1,002)	(\$1,013)	(\$2,015)	\$24,041	\$24,319	\$48,360
SSR	15.50%	8,822	8,924	17,745	(353)	(357)	(710)	8,469	8,567	17,036
Fed	40.50%	23,051	23,317	46,367	(922)	(932)	(1,854)	22,128	22,384	44,513
Other	0.00%	0	0	0	0	0	0	0	0	0
Total	100.00%	\$56,915	\$57,572	\$114,487	(\$2,277)	(\$2,302)	(\$4,579)	\$54,638	\$55,270	\$109,908
6901220501 Adult Protective Svcs Admin.										
GF	96.50%	(\$153,043)	(\$153,245)	(\$306,288)	\$6,123	\$6,128	\$12,251	(\$146,920)	(\$147,117)	(\$294,037)
SSR	0.00%	0	0	0	0	0	0	0	0	0
Fed	3.50%	(5,551)	(5,558)	(11,109)	222	222	444	(5,329)	(5,336)	(10,665)
Other	0.00%	0	0	0	0	0	0	0	0	0
Total	100.00%	(\$158,594)	(\$158,803)	(\$317,397)	\$6,345	\$6,350	\$12,695	(\$152,249)	(\$152,453)	(\$304,702)
Division Total HB2 Adjustment										
GF	53.98%	(\$111,131)	(\$110,694)	(\$221,825)	\$4,446	\$4,425	\$8,871	(\$106,685)	(\$106,269)	(\$212,954)
SSR	41.29%	(84,999)	(81,909)	(166,907)	3,396	3,277	6,673	(81,603)	(78,632)	(160,235)
Fed	4.73%	(9,741)	(7,768)	(17,509)	387	310	697	(9,354)	(7,458)	(16,812)
Other	0.00%	0	0	0	0	0	0	0	0	0
Total	100.00%	(\$205,870)	(\$200,371)	(\$406,242)	\$8,229	\$8,011	\$16,240	(\$197,641)	(\$192,360)	(\$390,001)

Funding allocation by fund type by program based on 2007 biennium budget approved by the 2005 Legislature.
MBARs report R614, Pay Plan Percentages for FY 2007 - Program Level

Cigarette Tax Fund Balance Supporting Veterans' Services

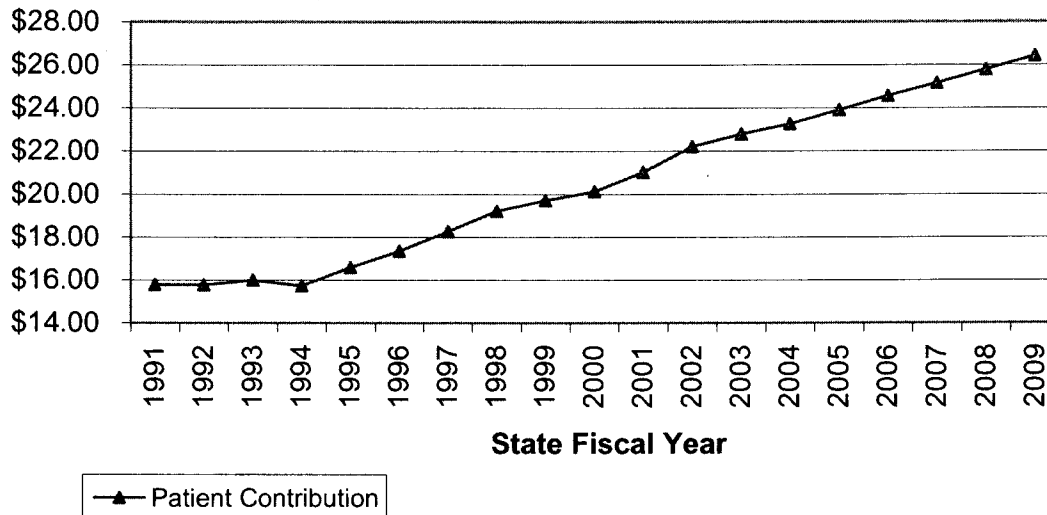
Fund Balance		Percent				Percent
Deposits/Expenditures	FY 2006	of Total	FY 2007*	FY 2008*	FY 2009*	of Total
Beginning Fund Balance**	\$2,115,828		\$2,081,524	\$2,000,000	\$3,695,729	
Revenue/Transfers In						
Cigarette Tax	\$6,362,659		\$6,352,000	\$6,228,000	\$6,130,000	
Other Deposits***	13,874					
Expenditures						
Veterans' Homes Operations			\$2,535,982			0.0%
Montana Veterans' Home	\$2,833,363	76.9%		\$5,124,331	\$5,297,813	125.9%
Eastern Montana Veterans' Hm	308,893	8.4%		362,119	305,659	7.3%
DP 22200 - Revise MVH Funding				(1,695,729)	(1,705,161)	
Long-Range Building						
Montana State Hospital	362,929	9.8%	537,072	0	0	0.0%
Montana Veterans' Homes	9,166	0.2%	37,009	0	0	0.0%
DPHHS Cost Allocated Admin.	136,203	3.7%	168,599	209,062	259,237	6.2%
Division Administrative Cost	36,290	1.0%	53,710	48,394	48,845	1.2%
Subtotal Expenditures	\$3,686,844	100.0%	\$3,332,372	\$4,048,177	\$4,206,393	100.0%
Annual Rate of Increase			-9.6%	21.5%	3.9%	
Compounded Rate of Increase from Base Budget			-9.6%	4.8%	4.5%	
Transfer to General Fund	(\$2,812,016)		(\$3,101,153)	(\$484,094)	(\$218,446)	
Adjustments**	\$101,898		\$0	\$0	\$0	
Ending Fund Balance	<u>\$2,081,524</u>		<u>\$2,000,000</u>	<u>\$3,695,729</u>	<u>\$5,400,890</u>	
General Fund Transfer Increase Above Executive Budget				<u>\$1,695,729</u>	<u>\$1,705,161</u>	
as Submitted 11/15/06						

*Revenue based on estimates adopted by the Revenue Oversight Taxation and Transportation Committee. Expenditures are based on executive budget request. Estimated expenditures also include indirect costs allocated across DPHHS.

**Statute requires that unexpended cash balances in excess of \$2 million be deposited to the general fund. Fund balances include other adjustments and may not equal cash balances.

Lois Steinbeck, LFD, February 7, 2007

Patient Contribution to Daily Medicaid Rate for Nursing Home Care



FY	Daily Patient Contribution
1991	\$15.80
1992	\$15.78
1993	\$16.00
1994	\$15.73
1995	\$16.60
1996	\$17.36
1997	\$18.27
1998	\$19.22
1999	\$19.72
2000	\$20.13
2001	\$21.03
2002	\$22.21
2003	\$22.79
2004	\$23.26
2005	\$23.91
2006	\$24.57
2007	\$25.17
2008	\$25.79
2009	\$26.42

A 10 Cent Change in Patient Contribution Total Cost Change		
Funding	FY 2008	FY 2009
Total Funds	\$117,811	\$116,633
General Fund	36,981	36,611

Various Scenarios if Subcommittee Opts Not to Pass Entire Patient Contribution		
<u>"Split the Difference"</u>		
Pass Through Slightly More Than 1/2		
General Fund	\$110,942	\$109,833
<u>No Pass Through</u>		
General Fund	\$706,864	\$699,796